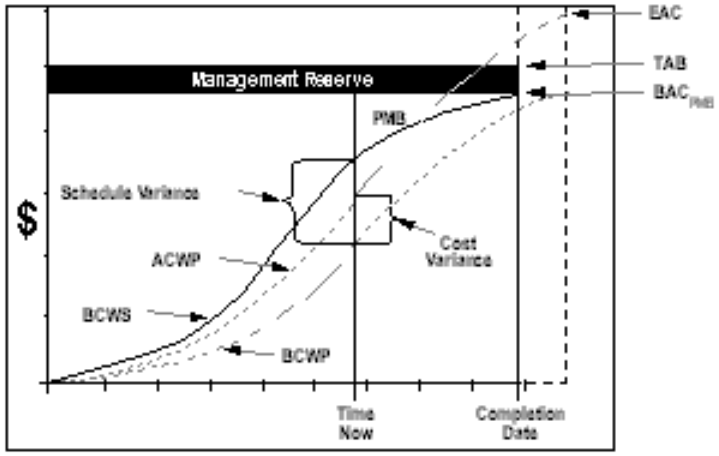
Defense Systems Management College
Earned Value Management Gold Card



VARIANCES *(Favorable is positive, Unfavorable is negative)*

- Cost Variance $CV = BCWP - ACWP$ $CV\% = \frac{CV}{BCWP}$
- Schedule Variance $SV = BCWP - BCWS$ $SV\% = \frac{SV}{BCWS}$
- Variance at Completion $VAC = BAC - EAC$

PERFORMANCE INDICES *(Favorable is > 1.0, Unfavorable is < 1.0)*

- Cost Efficiency $CPI = \frac{BCWP}{ACWP}$
- Schedule Efficiency $SPI = \frac{BCWP}{BCWS}$

OVERALL STATUS

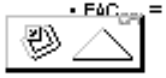
- Percent Complete $= \frac{BCWP_{CUM}}{BAC}$
- Percent Spent $= \frac{ACWP_{CUM}}{BAC}$

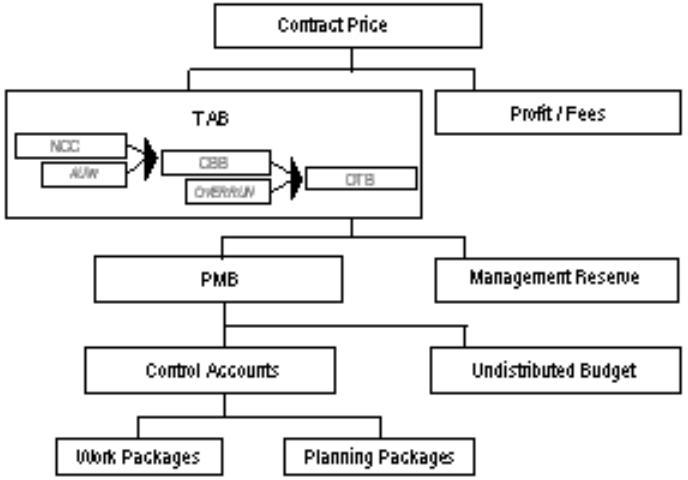
TO COMPLETE PERFORMANCE INDEX (TCPI)

- $TCPI_{EAC} = \frac{WORK\ REMAINING}{COST\ REMAINING} = \frac{BAC - BCWP_{CUM}}{EAC - ACWP_{CUM}}$

ESTIMATE AT COMPLETION *(EAC = ACWP + Estimate for Remaining Work)*

- $EAC_{CPI} = \frac{BAC}{CPI_{CUM}}$
- $EAC_{Composite} = ACWP_{CUM} + \frac{BAC - BCWP_{CUM}}{(CPI_{CUM}) \cdot (SPI_{CUM})}$





TERMINOLOGY

NCC	– Negotiated Contract Cost	*(Contract price less profit/fee(s))*
AUW	– Authorized Unpriced Work	*(Work approved, but not yet negotiated)*
CBB	– Contract Budget Base	*(Sum of NCC and AUW)*
OTB	– Over Target Baseline	*(Sum of CBB and recognized overrun)*
TAB	– Total Allocated Budget	*(Sum of all budgets for work on contract-NCC, CBB or OTB)*
BAC	– Budget At Completion	*(Total budget–for total contract thru any given level)*
PMB	– Performance Measurement Baseline	*(Contract time-phased budget plan)*
MR	– Management Reserve	*(Budget withheld by contractor PM for unknowns/risk mgt)*
UB	– Undistributed Budget	*(Broadly defined activities not yet distributed to CAs)*
CA	– Control Account	*(Lowest CWBS element assigned to a single focal point to plan and control the scope/sched/budget)*
WP	– Work Package	*(Near-term, detail-planned activities within a CA)*
PP	– Planning Package	*(Far-term CA activities not yet defined into WPs)*
BCWS	– Budgeted Cost for Work Scheduled	*(Value of work planned to be done) – PLAN*
BCWP	– Budgeted Cost for Work Performed	*(Value of work accomplished) – EARNED VALUE*
ACWP	– Actual Cost of Work Performed	*(Cost of work accomplished) – ACTUAL COST*
EAC	– Estimate At Completion	*(Est. of total cost– for total contract thru any given level)*

EVM POLICY (as defined in DoD 5000.2-R)

EVMS Standards Approach *(Management control system must meet Standards)*:

- Required for non-FFP contract exceeding $73M RDT&E or $315M in procurement *(CY00$)*.
  - Below-threshold use may be appropriate—consider benefits, risk and criticality.
- Contractor must establish, maintain, and use a system that meets the intent of the 32 Standards.
- Cost Performance Report (CPR) is delivered as a CDRL item.
  - 5 Formats *(WBS, Organization, Baseline, Staffing, and Explanations)*.

C/SSR Approach *(Management control system not required to meet Standards)*:

- Required for non-FFP contract exceeding $6.3M *(CY00$)* and 12 months in length.
- Contractor system with reasonably objective earned value methods is adequate.
- Cost/Schedule Status Report (C/SSR) is delivered as a CDRL item.
  - 2 Formats *(WBS and Explanations)*

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January 2001